

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

July 3, 2002

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EMS TRANSMISSION 07/09/2002
Instruction Memorandum No. 2002-182, Change 1
Expires: 09/30/2003

To: Assistant Directors and All State and Center Directors

From: Assistant Director, Minerals, Realty and Resource Protection
Assistant Director, Business and Fiscal Resources

Subject: Competitive Sourcing Studies of Maintenance Activities DD:
08/16/2002

Program Areas: Competitive Sourcing Studies (Business and Fiscal Resources) and Maintenance Activities (Resource Protection)

Purpose: This Instruction Memorandum (IM) provides the recommended strategies and a draft schedule for completing competitive sourcing studies for the Maintenance, Repair, Alteration, and Minor Construction of Real Property commercial activity by October 1, 2003. The IM includes a communication plan to ensure that all affected parties are kept aware of the maintenance competitive sourcing activities in an appropriate, timely manner.

This IM also requests that each Bureau of Land Management (BLM) State Director and the BLM National Interagency Fire Center (NIFC) Director provide:

1. a revised competitive sourcing study plan and schedule for completing each study;
2. the names, titles, locations, and phone numbers of your State and NIFC competitive sourcing study team members; and
3. your opinion if a freeze should be placed on permanent full-time positions in the

maintenance activities until the studies are completed. In the interim, vacancies could be filled with temporary or intermittent employees.

Policy/Action: Specific policy and actions resulting from the Competitive Sourcing Planning Meeting are provided below.

Competitive Sourcing Study Team Training, Study Implementation, and Contract Support

If any State intends to conduct a formal study, it should plan for training and begin implementation of the study this Fiscal Year (FY). The BLM Idaho State Office Study Team agreed to conduct a pilot express study by December 2002 and share the study results as a model for other States. Therefore, the BLM Idaho State Office should plan for training and implementation of one express study this FY. All other BLM State Office Study Teams and the BLM NIFC Study Team should plan for training by no later than November 2002 and begin implementation by no later than January 2002.

The BLM Washington Office (WO) will set aside funding for contract support ranging from project management, training, and support to conduct the studies. Costs estimated for contract support are as follows:

Type of Study Estimate Cost

Formal Study \$3,000 to \$4,000 per FTE studied

Streamlined Study \$2,000 to \$3,000 per FTE studied Express Study \$10,000 to \$15,000 per study

The Minerals Management Service (MMS) GovWorks Center has awarded Blanket Purchase Agreements (BPAs) to the firms of Grant Thornton LLP and McAdams Technologies, Inc., to support the Department of the Interior (DOI) Competitive Sourcing Center and the BLM competitive sourcing studies. The GovWorks Center Contracting Officer in MMS needs a requisition with funds, including a 3 percent fee, and statements of work. The Contracting Officer can do a quick competition between the two firms and issue task orders under the BPAs for the Bureaus. Alternatively, States may order services from the list of the General Services Administration (GSA) Schedule contracts that were pre-approved by the DOI Competitive Sourcing Center under the procurement procedures for acquiring services under the GSA Schedule contracts. If needed, please contact Joe Federline, Group Manager, Property, Acquisition, and Headquarter Services, WO-850, at (202) 452-5177, for the list.

Communication Plan

Please use the communication plan in Attachment 1 to ensure that all affected parties are kept aware of the maintenance competitive sourcing activities in an appropriate, timely manner.

Revised Competitive Sourcing Study Plan

Your State and the NIFC representative(s) at the Competitive Sourcing Planning Meeting in Denver, Colorado, June 11- 13, 2003, were provided an initial list of those employees who charged more than 5 percent of their time in FY 2001 to performing maintenance activities in the H and J series program element (P.E.) codes of the cost management system. The facilities and recreation site maintenance PEs are HA, HB, HC, HJ, HK, HR, and HS. The resource maintenance PEs (including range improvements) are: JB, JC, JH, and JI. Your representatives also defined the maintenance activity, which is listed in Attachment 2. We are sending, under separate cover, two lists of employees who coded 5 percent or more of their time in (1) facilities and recreation site maintenance and (2) range improvements. Using the definition and the new lists as a guide, please provide a revised Competitive Sourcing Study Plan for your State and the NIFC. As a general guide, you may consider those employees who coded 20 percent or less of their time in the H and J series PEs as an incidental portion of their jobs and not their predominant duty. Please have your staffs review and scrub the list to include only those whose predominant duties are "hands-on maintenance" as defined in Attachment 2.

After consulting with your representatives who participated in the Competitive Sourcing Planning Meeting about the criteria for study type (i.e., express, streamlined, or formal), please submit your study plans in Excel to Bernie Hyde, Protection and Response Group, WO-360, in the format listed in Attachment 3 by no later than August 16, 2002. All positions and full-time equivalents (FTE) who are performing predominantly maintenance activities should be grouped by each study type and tractable in the Federal Pay Pers System. Separate competitive sourcing study plans should be submitted for range improvement activities coded in the J series PEs. After reviewing your study plans and the number of FTEs in the plans, we will inform you whether range improvement activities will be required to be studied in order to meet the Administration's FY 2003 goal. Your schedule for each study should be based on the following estimates of times to complete the studies:

Type of Study FTE in Activity Estimate Completion Time

Formal Study 66 or more Approximately 18 months

Streamlined Study 65 or fewer Up to 6 months

Express Study 10 or fewer Approximately 2 months

State and Fire Center Study Teams

Using the list of skills needed and their roles in Attachment 4 as a guide, please provide the names, titles, locations and phone numbers of the State and NIFC Competitive Sourcing Study Team to Bernie Hyde, WO-360, by no later than August 16, 2002.

Possible Policy to Freeze Permanent Full-Time Maintenance Positions

Please provide your opinion if a freeze should be placed on permanent full-time positions in the maintenance activities until the studies are completed. In the interim, vacancies could be filled with temporary or intermittent employees.

Non-Cost Decision Factors and Approvals in the DOI Guide for Conducting An Express Review Competitive Sourcing Study for Functions with 10 or Fewer FTEs

The DOI Guide for Conducting An Express Review Competitive Sourcing Study lists three possible outcomes as follows.

1. If the cost comparison shows the estimated Government cost to be below the comparable range of contract cost estimates, the function should remain in-house.
2. If the estimated Government cost is above the comparable range, the function should be contracted.
3. If the estimated Government cost falls within the comparable range, the decision to remain in-house or convert to contract is made by the Head of the Contracting Activity (HCA) (if the cost is estimated to be above \$2.5 million), or the Bureau Procurement Chief (BPC) (if the cost is estimated to be below \$2.5 million) based upon pre-established non-cost decision factors.

The cost comparison must be approved by no less than the first level SES program manager, i.e., the State Director or NIFC Director. If the decision is based on non-cost factors, the decision will be made by either the Assistant Director, Business and Fiscal Resources, WO-800 who is the HCA, or the Senior Acquisition Specialist in WO-850, who is the BPC.

The non-cost decision factors include, but are not limited to:

- quality of service in the area;
- availability of service in the area;
- flexibility;
- low employee turnover rate; and

- fire red card expertise.

The non-cost factor(s) must be developed at the start of the study before collecting any costs.

Timeframe: Effective upon receipt. A schedule will be prepared from the results of this IM, but all "competitive sourcing" studies for this commercial activity should be completed by no later than October 1, 2003, except the Oregon formal study which should be completed within 18 months after training.

Budget Impact: The savings generated from competitive sourcing may be reprogrammed to appropriate mission critical activities. There are no OMB budget reductions resulting from competitive sourcing studies.

Background: Following the issuance of IM No. 2002-182, the BLM convened a meeting of representatives of 11 State Offices and the NIFC in Denver from June 11 - 13, 2002, to plan competitive sourcing studies on the BLM's maintenance activities. The group accomplished the following key items:

Discussed each of the three competitive sourcing study process types (i.e., express, streamlined, and formal) and the criteria for use of each study process (See Attachment 5);

Defined maintenance activities;

Compiled an initial list of employees who charged more than 5 percent of their time in FY 2001 to performing maintenance activities in the H and J series PE codes of the Cost Management System;

Recommended the types of studies in each State and the NIFC (initial recommended Bureauwide totals are 88 "express" studies, 5 "streamlined" studies, and one "formal" study);

Identified the roles for the study team for each State, NIFC and the National Steering team to guide and oversee the competitive sourcing studies at each level;

Identified strategies and funding for contract support to conduct the studies and for training and project management;

Recommended options for a "continuing operations" policy or strategy that will protect the interests of the employees and ensure that the BLM

maintenance workload continues to be accomplished during the competitive sourcing study period;

Developed a communications plan to ensure that affected parties are kept aware of the maintenance competitive sourcing activities in an appropriate, timely manner; and

Developed a tentative plan and schedule for the competitive sourcing studies and identified the funding and human resources needed to complete them.

Manual/Handbook Sections Affected: None

Coordination: Unions must receive required notice of changes in Competitive Sourcing Study Plans within contract specified timeframes prior to the initiation of any studies. Employees who are not represented by Unions should be given appropriate and timely notice of any competitive studies which might affect them. This IM was coordinated with those who participated in the Competitive Sourcing Strategy Meeting in Denver during the week of June 10, 2002.

Contacts: If you have any questions, please call the following point of contact:

Maintenance Activities:

Bernie Hyde, WO-360, at (202) 452-5058.

Workforce Planning, Annette Martinez, Employee/Labor Relations and

Employee Development:

Group Administrator, at (303) 236-6505.

Competitive Sourcing Study Processes:

Joe Federline, WO-850, at (202) 452-5177.

The FAIR Act Inventory, the revised Competitive Sourcing Plan, or Reengineering/Reorganization studies:

Janine Velasco, Management Systems Group Manager, WO-830, at (202) 452-0391

Signed by:

Carson W. Culp

Assistant Director

Minerals, Realty and Resource Protection

Authenticated by:

Barbara J. Brown

Policy & Records Group, WO-560

Signed by:

Robert E. Doyle

Assistant Director

Business and Fiscal Resources

5 Attachments

1 - Recommended Communication Plan (3 pp)

2 - Definition of Real Property Maintenance (1 p)

3 - Revised Competitive Sourcing Plan Format (1 p)

4 - State and NIFC Competitive Sourcing Teams - Skills and Roles (1 p)

5 - Comparison of the Express, Streamlined, and Formal Competitive Sourcing Study Processes (1 p)

Recommended Communication Plan BLM Competitive Sourcing Studies

Issue

President George W. Bush challenged agencies throughout the Federal Government to improve service to the public. The Competitive Sourcing Initiative, a part of the President's Management Agenda, directs Federal agencies to identify and implement the most effective and efficient ways to deliver services to our customers. Beginning in November 2001, the Department of the Interior has issued memoranda to bureaus and agencies to discuss implementation of Competitive Sourcing. By the end of Fiscal Year (FY) 2003, the Office of Management and Budget's goal for all agencies is to complete competitive sourcing studies for commercial activities for at least 15 percent of the positions identified in the FY 2001 Commercial Inventory.

As the competitive sourcing process studies are implemented, it is imperative that Bureau of Land Management (BLM) employees, as well as external groups such as cooperative agreement partners, Service First partners, and potential contractors, are informed of current and upcoming events.

Communication Plan Goals

- To keep BLM employees and other publics informed of Competitive Sourcing Study planning and implementation.
- To make sure that each BLM State provides the latest pertinent information at the same key time.
- Competitive Sourcing Study information comes from the closest part of the organization State Competitive Sourcing Teams and State and Field Offices however, the Washington Office and the National Competitive Sourcing Steering Team provide continuity to ensure frequency and content for all State Offices.

Audience

Internal

- BLM employees in identified positions
- BLM employees
- Unions (be consistent with direction from Annette Martinez)
- Human Resource Committees (employee driven associations)
- BLM retirees
- Departmental personnel

External

- Congressional offices (likely to receive congressional letters)
- Service First partner (Forest Service)
- State and local Governments (especially those who may be affected through changes to cooperative service agreements)
- Media
- Potential contractors/vendors

Key Messages

- The BLM is providing the best service to its customers in the most efficient way.
- The BLM values its workforce. Management will exert maximum efforts to retrain adversely affected employees for other positions, give them priority consideration for available position within the BLM, pay reasonable costs for training and relocation that contribute directly to placement, etc. These and other strategies will be included in our workforce planning efforts.
- BLM is meeting the goals of the President's Management Agenda through implementation of the Competitive Sourcing Initiative.

Potential Communication Tools

- Management team/employee meetings:
(All employee meetings where the State Director or Field Manager provides the latest information from the State/National Competitive Sourcing Teams)
- BLM Internet/Intranet Sites:
(Standardized Internet/Intranet web pages for each State that would provide the latest information on the Competitive Sourcing Initiative to employees and to external customers such as potential contractors/vendors and cooperative agreement partners, as appropriate.)
- E-mail messages/Information Bulletins from Director and State/National Competitive Sourcing Study Teams.
- Latest Key Points that State Director and District Managers can use to talk to employees.
- State-specific timelines.
- Use e-mail in basket for communication from employees to management/personnel.
- Consider an employee survey or customer use survey.
- Satellite broadcasts.

- Best practices website for State/Center Competitive Sourcing Study Teams.
- Consider the timing and delivery of information.
- Have State or National Competitive Sourcing Team members brief management at upcoming Executive Leadership Team meetings, State Management Team meetings, and associated conference calls.
- Consider using a Lotus Notes database for State and national competitive sourcing teams.
- Meet with employees in small groups (in addition to all employee meetings).
- Very important to brief first-line supervisors who are likely the ones who are managing affected employees.
- Local management needs to walk affected employees through the process.

Checklist Items

- Has the National/State Competitive Sourcing Team made a decision/reached a key point that employees or external publics need to be informed?
- Has the Department or the Administration made an announcement that needs to be explained to employees or external publics?
- Does a competitive sourcing study have the potential to affect an external public (e.g., actions that may affect BLM/County cooperative agreements)?
- Does a Competitive Sourcing Study affect a Service First initiative (e.g., BLM employees' whose work is being studied also have duties with Forest Service through Service First initiative)?

Actions

- Intranet/Internet site/page development/updating-In coordination with State and National Competitive Sourcing Teams.
- All employee meetings--Ongoing.
- Latest Key Points--Ongoing.
- State and National Competitive Sourcing Teams meet with State and WO public affairs offices-As- soon as teams are formed

Definition of Real Property Maintenance

Real Property - All lands and appurtenances attached thereto, minerals, roads, recreation sites, dams, buildings, administrative sites (office buildings, warehouse, parking lots, fire stations, communication towers), trails land, bridges regardless of dollar value.

Maintenance of Real Property:

- (1) Maintenance, including, but not limited to, heavy equipment, roads, dams, buildings, recreation sites.
- (2) Minor construction as related to Real Property, including, but not limited to, signage, culverts, kiosks.
- (3) Operations, Routine types of activities, including, but not limited to, trash removal, janitorial, snow removal, lawn maintenance.

Revised Competitive Sourcing Plan Format

(Complete this format for each Planned Competitive Sourcing Study)

Organization code/Office name _____

Location (City and State) of the office _____

Description of Activity (i.e., road maintenance, facilities maintenance, etc.) _____

Type of Study Planned (i.e., Express Study if less than 10 FTEs; Streamlined Study if less than 65 FTEs, or Formal Study if 66 or more FTE) _____

Planned Start Date _____

Planned Completion Date _____

<u>Employee Name</u> (from FPPS)____ (Last, First)	<u>PositionTitle</u>	<u>Series/Grade</u>	<u>Status</u> (i.e., Permanent Full Time (PFT), Part Time (P), or Intermittent (I)	<u>FTE</u>
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Total FTE

State and NIFC Competitive Sourcing Teams - Skills and Roles

1. Program and/or Management Analyst (provide support for most efficient organization in the formal study);
2. Position Classification Specialist (interview employees, develop Performance Work Statements, ensure that position classifications are consistent, or oversee contractor performing any of these items);
3. Human Resources Specialist (labor relations - assist management with their Union consultation responsibilities);
4. Contracting Officer (issue solicitation, evaluate bids, do cost comparison, select best sources, search for four comparable contracts in streamlined...for express should do a market search, issue "sources sought announcement," or assist and oversee contract work as required);
5. In-House Cost Estimator (prepare in-house cost estimate);
6. SD or Designee (ASD, DSD) (provides management input and awareness, reviews State Team work products before final submission);
7. Client Programs Representatives (i.e., engineering, recreation, maintenance - provides overall knowledge and information about the activity to the team - functional responsibility representative);
8. Field Office representative (represents all Field Managers in the State);
9. Public Affairs representative, as needed (establishes communications plan, provides awareness); and
10. Teams should also should consult with legal advisor when necessary (Solicitor's Office - WO to provide contacts).

EXPRESS REVIEW

1. Plan for Competitive Sourcing Study
 - Select study team & communicate with function under study
2. Define business unit & identify positions and materials used in function
3. Determine in-house Costs
4. Conduct Market Review or compare to four similar contracts
5. Perform Cost Comparison
 - In-house cost < range then retain in house
 - In-house cost \leq range then apply non-cost criteria such as quality of work force & personnel turnover. Decision to keep in-house or consider contract is at the option of the manager
 - In-house cost > range then convert to contract or issue an Request for Proposals (RFP) to further evaluate the cost of contracting
6. Announce Decision
7. Implement Decision

Unique Express Review concepts:

- *Express Review can be cancelled without formal notification. Decision to contract is made by management after analyzing all factors to be considered in the cost comparison process.*
- *Express Review considers quality of current workforce as a prime consideration in making the decision to provide service using in-house workforce vs. contractor workforce*

STREAMLINED STUDY **Less than 65 FTE**

1. Plan for Competitive Sourcing Study
 - Select study team & ensure study has been announced
2. Gather the Requirements
 - Define the scope of competition
 - Review equity and fairness in use of Streamlining Process
 - Identify the labor & materials to review
3. Determine in-house Costs
4. Conduct Market Review or Compare to four similar contracts
5. Perform the Cost Comparison
 - In-house cost \leq Range
-Retain in-house
 - In-house cost > Range
-Convert to contract
6. Announce Decision
7. Implement Decision

Streamlining concepts:

- Eliminates need for an MEO Study.
- May eliminate need for a new PWS if existing PWS can be used.
- Applies to Activities Commonly Contracted by Government and/or Private Sector
- Use only when it preserves equity and fairness intended by A-76 process
- Cost is based primarily on labor and materials

FULL FORMAL A-76 COST COMPARISON STUDY

1. Plan for Competitive Sourcing Study
2. Develop Performance Work Statement and Quality Assurance Surveillance Plan
3. Review and Revise Performance Work Statement and Quality Assurance Surveillance Plan
4. Obtain Higher Level Approval of Performance Work Statement and Quality Assurance Surveillance Plan
5. Conduct Presolicitation Actions
6. Prepare and Issue Solicitation
7. Develop the Management Plan (includes the Most Efficient Organization)
8. Respond to Solicitation
9. Perform Independent Review
10. Evaluate Proposals
11. Obtain Pre-negotiation Clearance Approval
12. Conduct Discussions with Offerors
13. Obtain Final Clearance Approval for Selection of Best Value Contractor Proposal
14. Compare Govt and Contractor Proposals
15. Announce Tentative Decision

- Steps do not have to be performed in sequence. May be done concurrently.